

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

In the Matter of	)	
	)	
Second Periodic Review of the	)	MB Docket No. 03-15
Commission's Rules and Policies	)	
Affecting the Conversion to	)	RM 9832
Digital Television	)	
	)	
Public Interest Obligations of TV	)	MM Docket No. 99-360
Broadcast Licensees	)	
	)	
Children's Television Obligations of	)	MM Docket No. 00-167
Digital Television Broadcasters	)	
	)	
Standardized and Enhanced Disclosure	)	MM Docket No. 00-168
Requirements for Television Broadcast	)	
Licensee Public Interest Obligations	)	

To: the Commission

**REPLY COMMENTS OF  
MTC NORTH, INC.**

MTC North, Inc. ("MTC"), by its attorneys, hereby files these Reply Comments in response to the Notice of Proposed Rulemaking issued by the Federal Communications Commission ("FCC" or "Commission") in the above-captioned matter.<sup>1</sup> MTC's parent, Margaretville Telephone Company, is a small, independent, rural telephone company that provides landline and, through its subsidiaries, wireless services to remote, rural portions of upstate New York. MTC has acquired the license for the C Block spectrum in the Lower 700 MHz Band (UHF channels 52-59) in the New York Otsego, NY CMA

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<sup>1</sup> *In the Matter of Second Periodic Review of the Commission's Rules and Policies Affecting the Conversion to Digital Television, Public Interest Obligations of TV Broadcast Licensees, Children's Television Obligations of Digital Television Broadcasters, Standardized and Enhanced Disclosure Requirements for Television Broadcast Licensee Public Interest Obligations*, MB Docket No. 03-15 *et al.*, Notice of Proposed Rulemaking, FCC 03-08 (released January 27, 2003)("NPRM").

pursuant to the Commission's recently completed Auction No. 44. MTC intends to utilize this 700 MHz license to expand its current service area and service offerings by providing newly emerging advanced telecommunications services, including high speed, broadband services, to underserved rural America.

MTC strongly supports the comments filed in this proceeding by other Auction No. 44 licensees that highlight the need for a firm timetable for early clearing of the Lower 700 MHz Band.<sup>2</sup> The Lower 700 MHz Band is currently encumbered by both analog and digital television station assignments that may effectively prevent MTC and other licensees from using that spectrum until incumbent broadcasters relocate to the core television channels 2-51, or at least until the Commission and/or Congress provide greater certainty about when such relocation will ultimately occur. Rural licensees, such as MTC, are ready and willing to deploy new services in their license areas but are currently unable to do so due to lack of affordable equipment and the difficulty in attracting capital to develop and deploy 700 MHz systems in spectrum that is currently encumbered.

MTC agrees with the comments filed by other Lower 700 MHz Band licensees that these impediments can be overcome if the Commission acts swiftly and firmly to create certainty as to when incumbent broadcasters will have to vacate that band, thereby giving equipment manufacturers incentives to design and begin production of 700 MHz equipment in anticipation of imminent service launches. Without such certainty, neither carriers nor equipment manufacturers will invest the resources needed to develop the

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<sup>2</sup> See, e.g., Comments of KanOkla Telephone Association, Inc., Peoples Telephone Cooperative, Inc., and Arctic Slope Telephone Association Cooperative filed April 15, 2003.

band in a timely fashion, which will needlessly delay the deployment of broadband services to rural America.

MTC supports the Commission's recent decision to impose a series of graduated sanctions on DTV licensees/permittees that fail to construct their facilities in a timely manner.<sup>3</sup> However, it is not enough to require timely construction of new digital broadcast facilities. There also need to be firm deadlines by which incumbent broadcasters are required to cease operations on the out-of-core channels. Thus, the Commission must also adopt realistic, yet firm, compliance dates for operational benchmarks that will lead to clearing the Lower 700 MHz Band by the earliest possible date. To achieve this end, the Commission should establish the earliest possible dates by which broadcast stations are required to: 1) make their election of a single post transition in-core channel; and 2) replicate and/or maximize their digital service or lose interference protection for the unserved areas. Establishing early deadlines in the out-of-core bands for replication and maximization will greatly further the goals of Congress and this Commission to ensure the deployment of broadband services to all Americans, including those in rural areas.

MTC also agrees with those parties who point out that section 309(j)(14)(B) of the Communications Act of 1934, as amended, represents a very limited exception to the very specific 2006 deadline imposed by Congress for the end of the digital transition. Clearly, the burden of justifying a deadline extension based upon digital penetration

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<sup>3</sup> See *In the Matter of Remedial Steps For Failure to Comply With Digital Television Construction Schedule*, MM Docket No. 02-113, Report and Order and Memorandum Opinion and Order on Reconsideration, FCC 03-77 (released April 16, 2003).

should be born by individual stations seeking to justify retention of channel capacity outside of the core spectrum on a market-by-market basis.

Firm deadlines provide the certainty that will allow rural licensees like MTC to make concrete plans for the deployment of new services, knowing that the spectrum for which they spent significant amounts of money will be unencumbered. Such certainty will allow the larger companies to make arrangements for the development and purchase of the equipment that will drive the manufacturing economies of scale needed to bring new equipment prices down to the levels that can justify rural deployment. Firm deadlines will also assist companies, both large and small, in attracting the capital and financing that will be required to develop and deploy competitive new services. The national policy of encouraging rapid deployment of basic and advanced broadband services to rural areas requires that the Commission take concrete steps to establish a more aggressive transition schedule for the spectrum encompassed by channels 52 through 59.

Respectfully submitted,

/s/  
**MTC NORTH, INC.**

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